

Assessing the Need for a Statewide Farmers' Market Association in Maryland

What is a Farmers' Market Association?

Farmers' markets are an important and growing segment of Maryland's agricultural industry. Many promising opportunities for continued growth exist but farmers' markets also face a unique set of issues in Maryland. In other states, statewide farmers' market associations provide services to help facilitate market development directly through promotion and technical assistance and indirectly through education and general advocacy (Wasserman 2009).

The Maryland Department of Agriculture (MDA) wants to evaluate the feasibility of establishing a state farmers' market association as a potential solution to the direct marketing challenges in Maryland farmers' markets¹. While farmers' market associations share many common features across states, it is important to understand the specific needs of Maryland farmers' markets, consumers, vendors, and market managers when developing such an organization. These considerations will help shape the organization's roles to more effectively deal with relevant issues. Furthermore, this approach will prioritize concerns to make best use of the typically limited budget of a potential farmers' market association.

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Survey of Market Managers, Vendors, and Consumers in Maryland

◆ *Survey Information*

In order to assess the needs of stakeholders in farmers' markets, an online survey was administered to consumers, vendors, and market managers.

The market manager survey included questions to address the manager motivation, farmers' market structure, market sales data, market barriers, and the role and feasibility of a farmers' market association. Market managers were also asked about the reasons they perceive consumers shop at farmers' markets. The survey includes responses from 39 managers representing 43 farmers' markets across Maryland.

The vendor survey similarly included questions to address vendor structure and sales data, perceived opportunities and barriers, and factors that influence their decision to sell at farmers' markets. The survey includes responses from 53 vendors across 18 different counties in Maryland and one in Pennsylvania. Lastly, the consumer survey, which received 108 responses, included questions to address shopping frequency, average expenditures, reasons for shopping at farmers' markets, and other related logistics and demographics.

◆ *Farmers' Market Snapshot*

Seventy-seven percent of market managers managed one market, 10% managed two markets, 10% managed three markets, and one individual managed more than four markets. The average farmers' market in Maryland has been operating for

about 13 years, but 24% of farmers' markets have been in operation for more than 20 years. Indicative of the recent surge in popularity of farmers' markets, over 40% of farmers' markets in Maryland were established within the last five years, significantly higher than the national figure of 28% (Ragland & Tropp 2009).

The majority of farmers' markets operate seasonally in Maryland and are open for an average of 6.1 months, with 12% of markets open year round. About 80% of farmers' markets are producer-only and, on average, 12 farmers sell at each market along with 8 additional vendors such as local artisans. This is somewhat lower than the national average of 31 vendors, but close to the Mid-Atlantic average of 21 vendors (Ragland & Tropp 2009).

◆ **Vendor Snapshot**

A combined 45% of vendor responses came from Baltimore County, Carroll County, Harford County, and Montgomery County. Just over half (55%) the respondents own their own land, 9% rent their land, 26% both own and rent land, and the remaining 9% do neither (i.e. they are artisans not farmers). Furthermore, about half (49%) the vendors have a webpage in place, with an additional 13% in process.

Over 40% of vendors have been selling at farmers' markets for less than 5 years; so many vendors are relative newcomers to the farmers' market distribution channel, but the average is 13.3 years. Also, about 55% of vendors attend 1 or 2 farmers' markets each week, with the overall average at 2.8 markets per week. On average, farmers send 2.3 employees to each farmers' market (including the farmer).

Important Functions of a Farmers' Market Association in Maryland

◆ **Concerns of Farmers' Markets**

Table 1 shows the response from market managers when asked to identify the largest single issue standing in the way of growth of farmers' markets in Maryland. The most cited barrier to the growth of farmers' markets is

finding new vendors (28%). Coupled with fundraising and generating revenue (23%), these two concerns comprised over 50% of responses. Part of the reason for this problem is that the direct-to-consumer segment has grown very quickly, so farmers' markets have expanded faster than farmers have to supply them. With regards to fundraising, 63% of the surveyed farmers' markets receive no outside funding and rely on a significant volunteer effort to operate the market.

State farmers' market associations often provide cost sharing options to assist in market promotion and other outreach activities that may help address the issue of finding new vendors. Additionally, associations can also provide services to help markets identify resources and write grants to aid in fundraising efforts (Wasserman 2009).

	N	%
Finding new vendors, farmers, and producers	12	27.9%
Fundraising and generating revenue	10	23.3%
Securing more physical space	6	14.0%
Paying for market staff	5	11.6%
Attracting more customers	4	9.3%
Compliance with county/city-level licensing and policies	3	7.0%
Other	2	4.7%
Understanding state policies for farmers' markets	1	2.3%
Grand Total	43	100.0%

◆ **Challenges for Vendors**

Table 2 presents what vendors perceive as the biggest challenge of selling at farmers' markets in Maryland. Almost 50% of vendors felt that the biggest challenge is selling enough product. This poses an interesting circular problem, though. Vendors prefer to sell at markets with a large customer base so they can sell more product, and customers prefer to shop at markets with a large number of vendors for more product variety (as shown in Table 4). However, for this mutual arrangement to occur one action must seed the other, but no clear first mover exists. The next largest issue, cited by 15% of vendors, is learning about licenses and permits needed to sell at farmers' markets.

Both of these issues are readily addressed through a state farmers' market association. Through market promotion and advertising, associations can help build a larger customer base for farmers' markets, which in turn will improve market sales. Associations can also provide education and market start up services to help market managers and vendors navigate all the legal issues related to licenses and permits required to sell at a farmers' market in Maryland.

	N	%
Selling enough product at market	26	49.1%
Learning about licenses, permits needed	8	15.1%
Other	7	13.2%
Cost of participating in the market	6	11.3%
Dealing with market management	3	5.7%
Obtaining licenses & permits needed	2	3.8%
Understanding what programs are available	1	1.9%
Grand Total	53	100.0%

In addition to challenges, vendors also identified leading factors that influence their choice to sell at specific farmers' markets in Maryland. As shown in Table 3, the most frequently chosen factor was the sales figures of a market, which was selected by 28% of vendors. The next highest factor was distance to farm/company, which garnered 19% of vendors' responses.

While an association cannot directly address the distance factor expressed by vendors, it can help with sales figures. A market's sales figures provide a direct feedback loop between a farmers' market's ability to attract new vendors and the vendors' choice to sell at a given market. A state farmers' market association is in a unique position to help a market build sales figures through market promotion and advertising, thus reinforcing the link².

² Of the markets surveyed, only 28% (a total of 12 farmers' markets) indicated that farmers and vendors presently report market sales.

	N	%
Sales figures	37	27.8%
Distance to farm/company	25	18.8%
Other	25	18.8%
Access to market (ability to join)	21	15.8%
Niche opportunity	15	11.3%
Less competition	10	7.5%
Grand Total	133	100.0%

◆ *Demands of Consumers*

In addition to assessing the needs of farmers' markets and vendors, it is important to understand what motivates consumers to shop at farmers' markets, since ultimately their patronage forms the foundation of a successful market. On average, 387 consumers shop at a given Maryland farmers' market each week. Table 4 shows the most important reasons consumers shop at farmers' markets, as observed by market managers. Freshness of product ranks as the number one reason customers shop at markets, with 92% of market managers selecting it. The results of the consumer survey reinforce this, with 77% of respondents also selecting freshness of product as a major reason. According to 75% of market managers, the social atmosphere of the market was also an important reason, and 72% believe the ability to know where food is produced is important to consumers as well.

These reasons all lie at the heart of successful farmers' markets; and while a state farmers' market association may not directly address these consumer demands, it indirectly does as it helps farmers' markets thrive.

	N	%
Freshness of product	36	92.3%
Social atmosphere of market	29	74.4%
Ability to know where food is produced	28	71.8%
Support of local agriculture	26	66.7%
Access to locally produced food	25	64.1%
Taste of product	23	59.0%
Variety of products offered	18	46.2%
Price	6	15.4%

◆ **Needs of Market Managers**

So much of the success of a farmers' market hinges on the motivation and determination of the market manager. Accordingly, another important consideration in this equation is the individual needs of market managers. About 54% of Maryland farmers' markets do not pay the market manager or any other employees. As such, the majority of market managers volunteer their time in return for the personal satisfaction of organizing and running a farmers' market. Table 5 illuminates some of the specific reasons market managers choose to do so. As indicated by 62% of market managers, the aspect of farmers' markets that most influenced them to become market managers is to provide customers with a source of nutritious food. The second most cited reason is to connect customers to farmers and foster a personal connection, as indicated by 56% of market managers.

Based on these responses, it is clear that market managers really believe in what they are doing and derive value from the institution and community of farmers' markets. A state farmers' market association can facilitate the professional and personal development of market managers by organizing statewide farmers' market conferences, providing opportunities for professional networking and information sharing, and engaging in policy and advocacy at the state and local level (Wasserman 2009).

	N	%
Provide customers with a source of nutritious food	24	61.5%
Connect customers to farmers and foster a personal connection	22	56.4%
Improve the income of small farmers	21	53.8%
Support the local economy	18	46.2%
Other	7	17.9%

Potential Role of a State Farmers' Market Association vis-à-vis Important Functions

Building on the needs expressed thus far, market managers were also asked about the roles they thought a potential Maryland state

farmers' market association should fulfill. The results of this question are presented in Table 6. As indicated by 91% of responses, market promotion and advertising ranked highest among the roles market managers think a farmers' market association should fulfill. Additional high-ranking roles included professional networking (70%), grants and resources (63%), and policy and advocacy (56%). Somewhat expectedly, the ranking of these roles aligns very closely with the previously expressed needs of farmers' markets, vendors, consumers, and market managers.

In Fiscal Year 2011, MDA spent approximately \$20,000 on market promotion.³ MDA would welcome input from a farmers' market association on how to spend that money more effectively and also as a partner in raising additional funds. In addition, MDA, as a state agency, is limited in its advocacy; but an association could actively work with legislators on behalf of farmers' markets in Maryland.

	N	%
Market promotion & advertising	39	90.7%
Professional networking & information sharing	30	69.8%
Grants & resources	27	62.8%
Policy & advocacy	24	55.8%
Insurance & risk management	23	53.5%
Basic training & education	20	46.5%
Market start up	19	44.2%
Nutrition-related services	18	41.9%
Other	1	2.3%

More than half of market managers also think insurance and risk management is an important role for a state farmers' market association. While all but one of the farmers' markets included in the survey already carried insurance, 77% of market managers expressed an interest in learning about more insurance options.

³ Personal communication, Mark S. Powell, Chief of Marketing and Agricultural Development, Maryland Department of Agriculture, November 7, 2011.

Lastly, a point worth mentioning is the issue of funding a Maryland state farmers' market association. Most associations rely on membership dues as their primary source of revenue, with the remainder of funds typically comprised of grants and cooperative agreements with the state (Wasserman 2009). Fortunately, in Maryland, 86% of markets indicated a willingness to pay an annual fee of \$25 to \$50 for a state farmers' market association, and an additional 5% were unsure. If the decision were made to create a farmers' market association in Maryland, then Wasserman (2009) provides helpful resources to accomplish that goal.

Summary

The direct-to-consumer market segment continues to grow for food and agricultural products, and farmers' markets play a key role in this growth. While farmers' markets will likely continue to grow, it is clear that a state farmers' market association can enhance this growth by alleviating some of the unique direct marketing challenges markets face. In establishing a Maryland state farmers' market association, it is important to incorporate the specific needs of farmers' markets, vendors, consumers, and market managers to ensure an effective organization and an efficient use of resources.

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